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CYPRUS-UN

UN Secretary General Waldheim reported to the Security Council yesterday on his visits to Ankara and Athens earlier this week. He is hopeful further internationalization of the Cyprus issue can be avoided and the intercommunal talks between Greek and Turkish Cypriots renewed.

Shortly after his return to New York on Wednesday, Waldheim told US representatives at the UN that he had found the Turkish government anxious to get on with the negotiations suspended when the Greek side brought the matter to the Security Council. The Turks turned down the Greek suggestion that the talks be transferred from Nicosia to New York, although they are receptive to Vienna as an alternative site.

Turkish Foreign Minister Esenbel confirmed this to US Ambassador Macomber, noting that the Turks were delighted with the prospect of shifting the talks from Nicosia and the overshadowing presence of Archbishop Makarios. The Turks, however, gave neither Waldheim nor the US ambassador any indication that they were prepared to make any new moves to break the impasse in the talks.

In his conversation with the Greek Prime Minister, Waldheim detected a note of desperation in Karamanlis' insistence on the need for some forward movement that would help strengthen his hand in dealing with restiveness in Athens. Waldheim told US Ambassador Scali that Karamanlis believed that, if progress were not made on the Cyprus issue within a reasonable time, he was in danger of losing control to right-wing elements in the military.

According to Waldheim, Karamanlis indicated he was willing to become personally involved in efforts to negotiate a settlement if he could get a statement clarifying the Turkish position, and presumably showing some flexibility, on the crucial elements of an agreement on a federal state, the number of Turkish Cypriot

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zones, and the percentage of the island to be included in the Turkish sector. The Turks have not formally presented their position on these issues, but have made it clear that they will accept only one zone--a biregional state--with a weak central government; in essence, a loose confederation of two autonomous states.

Sentiment in the Security Council appears to be running against any further broadening of the Cyprus talks. Waldheim reportedly told Karamanlis not to expect much from the council beyond a condemnation of the Turkish Cypriot declaration of an independent federated state and a call for the continuation of the intercommunal talks. The possibility of a Security Council mission to Cyprus, probably to be made up from among the nonpermanent members, is also being discussed.

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PORTUGAL

The Armed Forces Movement's 200-member General Assembly has approved a plan to formalize the military's role in the government's decision-making process.

Reliable sources have told US embassy officials that a seven-point program was approved by the assembly last Monday and is now being discussed with the military rank and file and political party leaders. The program provides that:

--The Movement will continue to guide Portugal's political process indefinitely.

--The recently announced economic plan cannot be made more conservative, but only more "progressive."

--The campaign for constituent assembly elections will not begin on March 3 unless the political parties have agreed on minimum standards for their platforms set by the Movement.

--Presidential candidates must be approved by the Movement.

--The future constitution will be based on the program of the Armed Forces Movement that was published shortly after the coup last April.

--The new constitution will grant legislative powers to the Council of State, now a rubber-stamp body that approves all legislation. The Council will be controlled by the military, and the Movement will help select the civilians that comprise one third of the body.

--The Movement will choose the ministers of defense and economy after a constitutional government is elected.

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Although the Movement has repeatedly insisted that it does not intend to install a military dictatorship, Movement officers have been impatient with the bickering among political parties and believe that they must keep a firm hand on Portugal's progress. They fear an inexperienced civilian government might destroy the changes they have already instituted. Continuing dissension might precipitate a return to a right-wing system and place Movement officers in jeopardy.

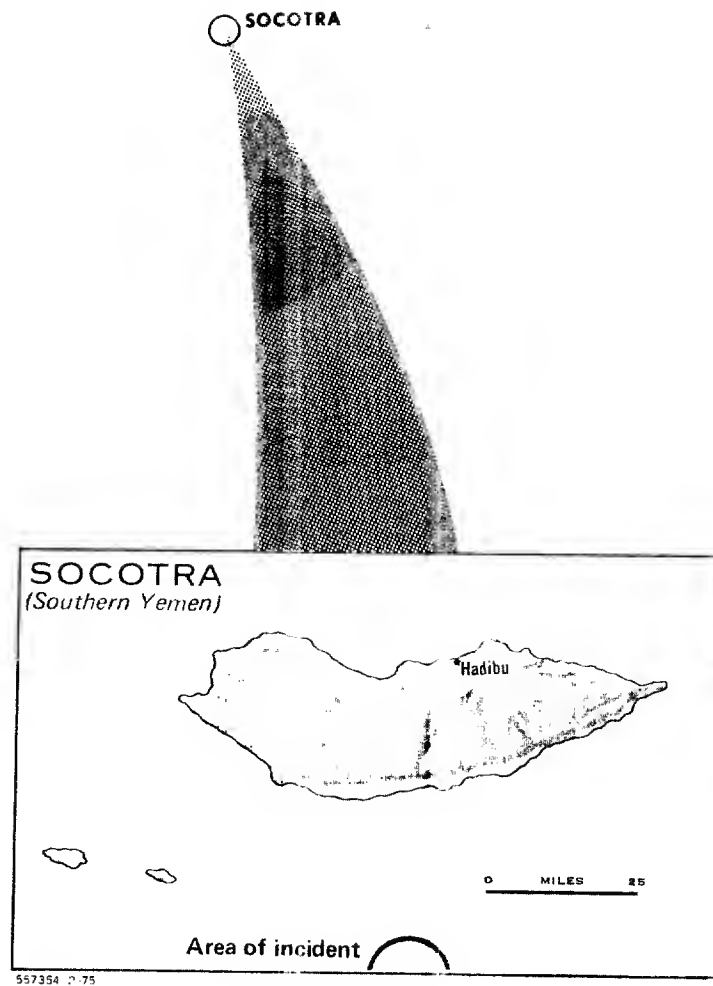
The program is certain to provoke opposition from Portugal's civilian leaders, although even moderate politicians recognize that the Movement must have some role in order to preserve security and to guarantee basic civil liberties. Moderates will resist, however, those parts of the program they regard as an overly active intervention by the military in politics.

Both Socialist and Popular Democratic leaders were critical of the new "legislative" powers given to the seven-man military junta earlier this month. Since then, Movement members, including Prime Minister Goncalves, have retaliated by attacking those who have warned against the possibility of a "civil war" and of divisiveness within the Movement. These attacks were clearly directed at Socialist Party leader Soares and others who have spoken out on these lines.

Yesterday, Soares abruptly canceled a trip to Bonn for "internal reasons." Soares may have decided he needs to concentrate on his party's response to the assembly's plan to formalize the Movement.

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USSR

The commanding officer of the USS Joseph Hewes reported that a Soviet Petya-class destroyer escort in the western Indian Ocean anchorage at Socotra Island apparently fired toward the Hewes early on February 21. A helicopter from the US ship was conducting surveillance of the anchorage when the incident occurred. The helicopter had been directed to photograph Soviet ships and drop sonobuoys to the east of the anchorage in an attempt to locate any submarine that might have been present.

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[redacted] the detonation was heard by US personnel, although the gun flash was not observed. Although the guns of the Soviet ship were observed to be trained on the Hewes, the US ship continued to patrol in the area but out of gun range.

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The commander of the USS Hewes has stated that his ship was operating in accordance with established law of the sea agreements at the time of the incident. The Hewes has been directed to continue surveillance operations in the Socotra area, but not to take any action that could be construed by Soviet units as harassing, threatening, or provocative.

Moscow will probably be reluctant to make a cause celebre of this incident. If the US publicizes it or protests it privately, however, the Soviets will be constrained to offer their own version of events, probably accusing the US of violating the 1972 Soviet-US Incidents at Sea Agreement.

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CAMBODIA

As the military situation has deteriorated in recent months, there has been a corresponding rise in the level of frustration, pessimism, and recrimination among senior government officials. This trend has been accelerated by the recent military setbacks along the Mekong which have diminished hopes for an early lessening of Phnom Penh's supply dilemma. It is impossible to ascertain the breaking point for the government's morale and internal cohesion, but it is fairly clear that the strains on the Cambodian political fabric have never been greater.

During the course of the Cambodian conflict, the steadying influence of the US mission has been enough to ensure a basic political stability, and American support for Lon Nol will continue to discourage any action against the government by disgruntled political and military elements. But as the pressures build on Phnom Penh, the chances increase for the eruption of an essentially unpredictable and uncontrollable political crisis that would make it difficult if not impossible for the government to continue the war.

President Lon Nol, who often has taken an unduly optimistic view of his government's position, now appears to be more aware of the gravity of the present situation. In a meeting with Ambassador Dean and Admiral Gayler last week, Lon Nol admitted that malaise exists in official and unofficial circles and stressed the need to find an "honorable" solution to the war.

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Earlier this month, the secretary of the Socio-Republican Party--the President's own political base--arranged a meeting with Ambassador Dean to inquire whether Lon Nol's "withdrawal" would increase the chances for a settlement.

Most of this recrimination being directed against the President is simply the result of frustration over the inability to discover any feasible route leading to negotiations and a compromise settlement. Certainly there is no indication that the Communists are prepared to back away very much from their hard line on a settlement or that the voluntary or forced departure of Lon Nol would somehow open the way to a compromise solution. At this point, the Khmer Communists are confident that time is on their side and appear to be banking on either total military victory or a government surrender under the guise of a negotiated settlement.

In the face of this seemingly intractable Communist position, there nonetheless appears to be a growing conviction in Phnom Penh that some way must be found to break the negotiations impasse before the government's military position crumbles altogether. Thus, the Khmer Communist tactic of portraying Lon Nol and some other senior leaders as obstacles to peace could become increasingly effective and sentiment for Lon Nol's departure more widespread and direct.

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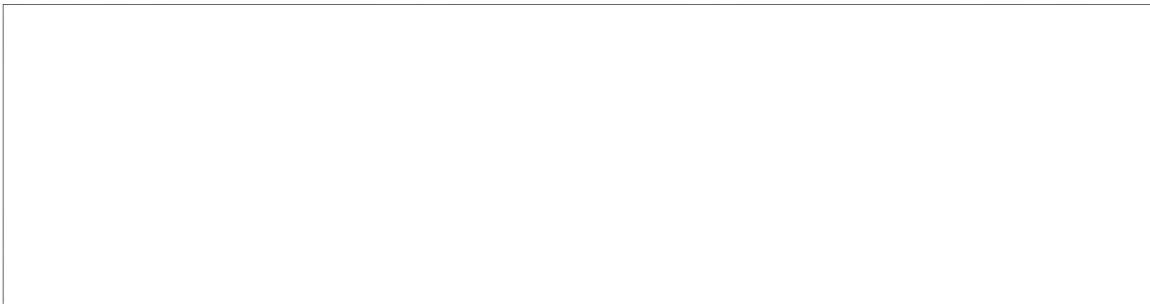
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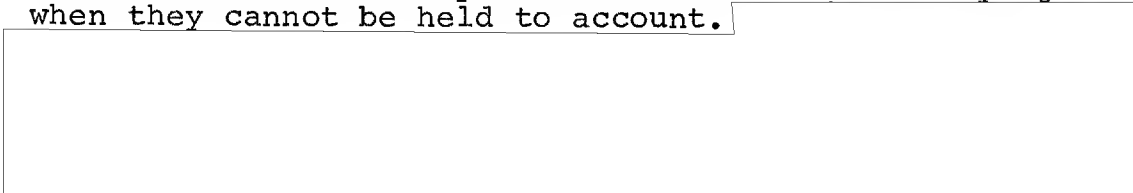
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THAILAND

The odds are improving that Democrat Party leader Seni Pramot will win a vote of confidence when he proposes a government to the National Assembly next Thursday.



The vote next week, nevertheless, promises to be close. Seni won a narrow victory in the assembly's selection of a prime minister - designate. If the voting on his proposed cabinet is public rather than by secret ballot, which is likely, Seni's chances of winning the necessary majority are good. If, however, the conservatives--
succeed in having the vote conducted by secret ballot, all bets are off. The parliamentarians have already proven at least once in this brief session that they are vulnerable to vote-buying when they cannot be held to account.



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ETHIOPIA

Government forces yesterday used artillery, small arms, and aircraft to attack a village near Asmara suspected of being held by Eritrean insurgents. The government artillery fire came from a base established yesterday adjacent to a tract of the US communications facility outside of Asmara. All US personnel have been evacuated from this site to the US consulate compound. Heavy fighting was also reported on Friday near a town about 50 miles northwest of Asmara, as well as in the vicinity of the Red Sea port of Massawa.

An Ethiopian officer told the US defense attaché this week that he is still confident the military can defeat the insurgents, but that he is concerned by the continuing indiscipline in the armed forces, the defections in the air force and navy, and the high cost of the war. The government reportedly has ordered about 90 officers and enlisted men to Addis Ababa to face disciplinary action for attacks on Eritrean civilians.

The US embassy believes that the ruling military council's propaganda, media manipulation, and sponsorship of national unity demonstrations have created a psychological climate favorable to the council's no-compromise policy on Eritrea. The council's domestic image also seems to have improved somewhat. This support may lessen, however, as the cost of the war becomes more apparent to the country's educated urban population.

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FOR THE RECORD

Colombia-Cuba: Colombia announced yesterday that it will resume diplomatic relations with Cuba. This followed by one day President Lopez' announcement that he would make an official visit to the US later this year. Lopez' "pluralistic" foreign policy has been easing Bogota toward relations with Havana since his inauguration last August. When the Organization of American States failed to lift the Cuba sanctions in November, Lopez turned to unilateral action. Colombia is the ninth OAS member to re-establish ties with Cuba; other countries, such as Ecuador, may follow suit.

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